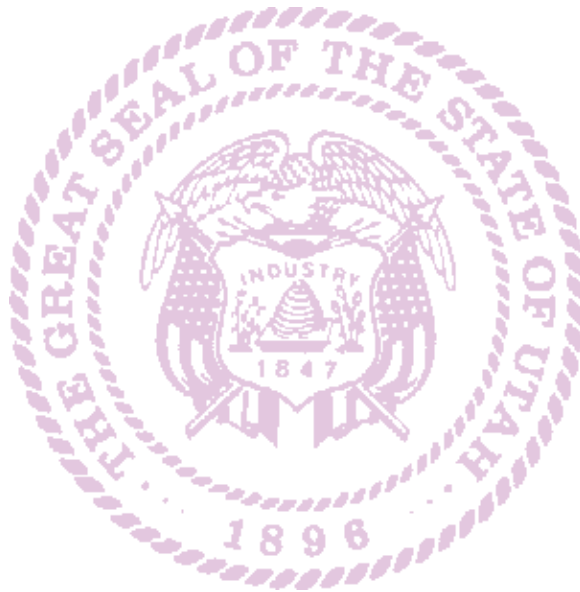


UTAH

1995 Small Business Corporation Franchise or Income Tax Return and Instructions



Form TC-20S

WHEN, WHERE, AND HOW TO FILE

When? By the fifteenth day of the fourth month following the close of the tax year.

An extension of time to file (not to exceed six months) will be granted by the Tax Commission upon receipt of the required prepayment amount.

Where?

Utah State Tax Commission
210 North 1950 West
Salt Lake City, Utah 84134-0300

How? Use preprinted labels and forms. Make corrections directly on label.

Be sure to use the federal identification number, Utah charter number, and name as registered with the Department of Commerce.

If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or Telecommunications Device for the Deaf (TDD) (801) 297-3819. Please allow three working days for a response.

Tax Questions? You may submit tax questions to the Tax Commission through the World Wide Web. The Tax Commission will respond by E-Mail within 24 hours. The Tax Commission's Internet Home Page address is:
<http://www.tax.ex.state.ut.us>

GENERAL INSTRUCTION AND INFORMATION

1. Corporation Identification Numbers

The Utah State Tax Commission will use the federal identification number (FIN) as the corporation's taxpayer identification number with the state. The Utah charter number is a six-digit number issued upon incorporation or qualification to do business in Utah and should also be included. If these numbers (FIN and Utah charter) are not preprinted on this label, fill in the appropriate areas to allow for proper identification of the corporate tax return or any correspondence. Check the box provided if the corporation's name or address has changed since last year's filing.

2. Rounding Off to Whole-Dollar Amounts

All entries must be made in whole dollar amounts.

3. Liability for Filing and Paying Returns

a. Tax Forms - Every small business corporation (as defined in IRC 1361(a)) that has filed a proper and timely election under IRC 1362(a) shall file form TC-20S so long as the federal election remains in effect. Schedules A and N should be filed with the appropriate information when the corporation has nonresident shareholders. If all shareholders are Utah residents and no corporate built-in or other gains tax is applicable, Schedules A and N are not required; however, a complete federal return is required. The Utah State Tax Commission supplies a return and schedules for filing of Small Business Corporation Franchise or Income taxes to corporations properly registered with the state. If an original return is not mailed to the corporation, contact our offices at (801) 297-6700 to request forms. NOTE: Please review General Instruction 5 to identify what federal information is required with the Utah filing.

b. First Time Filers - A copy of the IRS letter of authorization, "Notice of Acceptance as an S-Corporation," must be attached to the Small Business Corporation Franchise or Income Tax return when filing for the first time.

c. Taxable Year - The taxable year for Utah corporate franchise or income tax purposes should match the taxable year used for federal income tax purposes. When the taxable year changes for federal tax purposes, the taxable year should be adjusted accordingly for Utah small business corporation franchise or income tax purposes. Refer to General Instruction 3d below.

d. Filing Return Where Period Changed - When changes are made to the taxable year, as indicated in General Instruction 3c above, a short period return is required. The short period return shall cover the period of less than 12 months between the prior taxable year end and the new taxable year end.

e. Payment of Tax - The corporation is required to pay or withhold payment of taxes due if any shareholders are nonresident individuals. Schedule N must be filed.

f. Due Date - Returns shall be filed on or before the 15th day of the fourth month following the close of the taxable year.

4. Extension

A corporation qualifies for a six-month extension of time in which to file its corporate tax return if it makes the necessary tax prepayments by the due date of the return. The extension prepayment amount must be equal to:

(1) at least 90% of the current year's tax liability or

(2) 100% of the previous year's tax liability.

Underpayment of extension prepayment is subject to penalty (see General Instruction 6 below). Extension prepayments can be made on form TC-559, Corporation Franchise or Income Tax Payment Booklet.

5. Supporting Federal Information

Form 1120-S, **as filed with the IRS**, should be attached when filing the Utah Small Business Corporation Franchise or Income Tax return (Form TC-20S). In addition, federal Schedule K-1 forms must be filed for each shareholder.

6. Penalties

The penalty for failure to file a tax due return by the due date is the greater of \$20 or 10% of the unpaid tax. In addition, if a tax balance remains unpaid 90 days after the due date, a second penalty, the greater of \$20 or 10% of the tax balance, will be added for failure to pay timely.

The penalty for failure to pay tax due as reported on a timely filed return, or within 30 days of a notice of deficiency, is the greater of \$20 or 10% of the tax due.

The penalty for underpayment of extension prepayment is 2% per month of the unpaid tax during the extension period.

Penalty for failure to file an information return or complete supporting schedule is \$50 for each return or schedule to a maximum of \$1,000.

For a list of additional penalties that may be imposed, please refer to Utah Code Ann. Section 59-1-401.

7. Interest

Effective October 12, 1993, the calendar year interest rate applicable for all taxes and fees administered by the Tax Commission shall be two percentage points above the federal short-term rate in effect for the preceding fourth calendar quarter. This rate is published by the Internal Revenue Service in September of each year.

The interest rate for all taxes and fees administered by the Tax Commission for the 1996 calendar year is 8 percent.

8. Corporation Changes

Corporation changes (e.g. name change, merger, or ceasing to do business in Utah) must be reported to the Division of Corporations, Department of Commerce. The changes must be approved by the Division of Corporations after which the information will be transferred to Tax Commission records.

9. Suspension for Failure to File or Pay Tax Due

Utah law provides for suspension of the corporation's right to do business in Utah if the corporation fails to file and/or pay taxes due before 5 p.m. on the last day of the eleventh month after the due date.

INSTRUCTIONS FOR RETURN

Corporation Name and Address Area

The corporation name and address information are printed on the

label affixed to the back of the booklet. Make any corrections necessary to the name and address on the address label. Remove the label and affix it to page one of the return, form TC-20S. Forms without labels should be completed by entering the corporation name and address.

Telephone Number

Enter the telephone number for the corporation.

Federal Identification Number and Utah Charter Number

Forms without labels should be completed by entering the FIN and Utah charter number in the appropriate fields.

Amended Returns for 1995

AN AMENDED STATE RETURN FOR 1995 SHOULD BE FILED PROMPTLY ONCE YOU DISCOVER:

1. an error on your state or federal return after it has been filed; or,
2. your federal return is audited or adjusted by the IRS and the IRS audit or adjustment affects your state return. You must report such changes or corrected net income within 90 days of the IRS's final determination.

If you need to amend a return for a tax year other than 1995, please use the tax form and instructions for the year you are amending.

To qualify for a refund or credit, an amended return must be filed within three years following the date the original return was filed. A return filed before the due date is considered filed on the due date.

To amend a previously filed 1995 state income tax return:

1. check the amended box located at the top of the return;
2. write "AMENDED" in big letters along the top of the form; and
3. indicate the reason for amending, by writing the number in the box provided on the return.

THE REASONS FOR AMENDING ARE AS FOLLOWS:

1. you filed an amended return with the Internal Revenue Service (*you must attach a copy of your amended federal return*);
2. you made an error on your state return (*attach an explanation of the adjustments made*);
3. federal audit adjustments which resulted in changes in federal taxable income were issued and became final (*attach a copy of the IRS adjustment*);
4. other (*please attach explanation to return*).

Complete the return entering the figures as corrected.

Enter other amounts shown on your original return. If you received a refund on your original return, enter the total previous refunds on Schedule TC-20S A, line 16c. If you paid with the original return or made subsequent payments of the tax prior to filing the amended return, enter the total previous payments on Schedule TC-20S A, line 18d.

REMEMBER, except for the amounts you amend, the amounts you place on the return must match the amounts you placed on those lines on your original return.

Line 1(a) Number of Resident and Nonresident Shares

Indicate number of resident and nonresident shares.

Line 1(b) Percentage of Resident and Nonresident Shares

Indicate percentage of resident and nonresident shares.

Line 7 Total Penalties and Interest

Enter any applicable penalty and interest amounts on the appropriate lines. Enter the total amount on this line.

Line 8 Total Remitted

Add lines 5 and 7, show total amount due on line 8. Make check or money order payable to the Utah State Tax Commission. **DO NOT MAIL CASH. THE TAX COMMISSION ASSUMES NO LIABILITY FOR LOSS OF CASH PLACED IN MAIL.**

Line 9 Total Refund

Line 6 less line 7.

Signature and date lines are required for declaration of the return's accuracy. Refunds will not be granted on returns without signatures and dates.

INSTRUCTIONS FOR SCHEDULE A

Line 1 Ordinary Income/Loss

Enter the ordinary income from trade or business activities as taken from the federal small business return, form 1120S, line 21.

Line 2 Adjustments to Ordinary Income

Add items of income or deduct items of loss that are directly passed through to the shareholders as shown on federal Schedule K and/or K-1, lines 2 through 6.

Line 3 Net Income

a. Total Income before Nonbusiness Income - Line 1 plus line 2.

b. Nonresident Income - Schedule A, line 3a multiplied by the percentage of nonresident shares on line 1b of Small Business Corporation Franchise or Income Tax return, form TC-20S.

Line 4 Nonbusiness Income Allocation

a. Nonbusiness Income Allocated to Utah - Schedule H, line 2 multiplied by the percent of nonresident shareholders on line 1b of Small Business Corporation Franchise Tax return, form TC-20S.

b. Nonbusiness Income Allocated Outside Utah - Schedule H, line 4 multiplied by the percent of nonresident shareholders on line 1b of Small Business Corporation Franchise or Income Tax return, form TC-20S.

Line 5 Nonbusiness Income total

Line 4a plus 4b.

Line 6 Net Income Subject to Apportionment

Line 3b less line 5.

Line 7 Apportionment Fraction

100% or bring forward fraction from Schedule J, line 7.

Line 8 Net Income Apportioned to Utah

Line 6 multiplied by line 7.

Line 9 Nonbusiness Income Allocated to Utah

Carry down amount reported on line 4a above.

Line 10 Utah Taxable Income/Loss

Line 8 plus line 9.

Line 11 Loss Carryforward for S Corporations Previously Filing Under Option A

Losses claimed on this line are limited to losses incurred by S corporations which had nonresident shareholders and elected option A for tax years beginning prior to January 1, 1994. Such losses from years beginning prior to January 1, 1994, may be carried forward for five years following the year in which the loss was incurred.

S corporation losses incurred in years beginning on or after January 1, 1994, which are directly passed through to shareholders for federal income tax purposes may not be carried forward or back at the S corporation level. Such losses may only be claimed by filing a Utah Individual Income Tax Return.

Line 12 Utah Taxable Income Before Deduction Amount

Line 10 less line 11.

Line 13 Deduction Amount

Multiply line 12 by (.15). If line 12 is a loss, no deduction amount is allowed.

Line 14 Net Taxable Income

Line 12 less line 13.

Line 15 Tax Rate

The tax rate is .072.

Line 16a Calculation of Tax

Multiply line 14 by line 15.

Line 16b Built-in and Other Gains Tax

In accordance with the provisions of Utah Code Ann. Section 59-7-701, gains or income subject to the federal corporation tax are also subject to the Utah Small Business Corporation Franchise or Income Tax. The most common transactions that occur under federal provisions, include: Built-in gains, capital gains, federal recapture amounts of prior year's investment credits, LIFO recapture amounts, and any other similar type transaction. These gains or income should be apportioned (see Schedule J) and multiplied by the current tax rate of 5%. Attach a schedule to form TC-20S that provides the necessary details of gains or income being reported.

Line 16c Amended Returns Only (Previous refunds)

This line is used only for amended returns. When filing an amended return, enter the amount of all refunds, credits, or offsets of corporation franchise or income tax received for the tax year being amended. You should exclude refund interest from this amount. This amount is then added into the tax amount on line 17.

Line 17 Tax Amount

Add lines 16a through 16c.

Line 18a Mineral Production Withholding Credit (R865-14W-1)

A refundable credit is allowed for Utah tax withheld from the corporation's mineral production payments as indicated on form TC-675R. Form TC-675R (copy B) must be attached when credit is claimed.

Line 18b Off -Highway Utah Agricultural Gas Tax Credit (Utah Code Ann. Section 59-13-202)

This tax credit is 19 cents per gallon. If you purchased gasoline between January 1, 1995 and December 31, 1995 for use within Utah to operate stationary farm engines and self-propelled farm machinery used **solely** for nonhighway agricultural uses and paid the Utah tax on the motor fuel, you are entitled to a credit for the motor fuel tax paid.

1. Credit is not allowed for purchases of diesel fuel;
2. Golf courses, horse racing, boat operations, highway seeding, etc., do not qualify as agricultural;
3. Credit is not allowed for gasoline used in any vehicle registered for highway use;
4. The credit allowed is limited to persons engaged in commercial farming activities rather than those engaged in a hobby or farming for personal use;
5. Credit is only allowed for purchases made within Utah.

Line 18c Total Prepayments

A refundable credit is allowed for advance payments made as quarterly prepayments and extension payments (form TC-559). Also, include any overpayment from the prior year applied to this year, and include withholding prepayments made applicable to the filing period and specify amount paid.

Line 18d Amended Returns Only (Previous Payments)

This line should only be used for amended returns. When filing an amended return, enter the amount of tax paid with the original return and/or subsequent payments of the tax prior to filing this amended return.

Line 19 Total Refundable Credits

Add lines 18a through 18d.

Line 20 Overpayment

Enter amount of overpayment (if line 19 is larger than line 17, subtract line 17 from line 19).

Line 21 Overpayment To Be Applied To Next Taxable Year

As a convenience to refund filers, all or part of a refund may be applied as an advance payment for the next tax year. Enter amount to be applied (must be less than or equal to refund).

Line 22 Refund

Line 20 less line 21. Carry this amount to line 6 of form TC-20S.

Line 23 Total Tax

Enter amount due (if line 17 is larger than line 19, subtract line 19 from line 17). Carry this amount to line 5 of form TC-20S.

INSTRUCTIONS FOR SCHEDULE J APPORTIONMENT SCHEDULE

Determine apportionment fraction by completing this schedule. The factors express a percent for tangible property in Utah, for wages and salaries in Utah, and for sales in Utah. These factors are to be added together and divided by the number of factors present (typically 3) to arrive at the Utah apportionment fraction. This fraction is to be applied to the net income (or loss) to arrive at the amount of income (or loss) apportioned to Utah. In cases where one or more of the factors is omitted due to peculiar aspects of the business operations, the corporation should divide by the number of factors present.

Income or loss from partnership or joint venture interests shall be included in income and apportioned to Utah through application of the three-factor formula consisting of property, payroll and sales. For apportionment purposes, the portion of partnership or joint venture property, payroll, and sales to be included in the corporation's property, payroll, and sales factors shall be computed on the basis of the corporation's ownership interest in the partnership or joint venture.

Lines 1a-e Tangible Property

Show the average cost value during the taxable year of real and tangible personal property used in the business within the state (including leased property) in column A; and overall (including Utah) in column B.

Property owned by the corporation is valued at its original cost. Property rented by the corporation is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the corporation less the annual rental rate received by the corporation from subrentals.

The average value of property shall be determined by averaging the cost values at the beginning and ending of the tax period. However, monthly values may be used or required if monthly averaging more clearly reflects the average value of the corporation's property.

A supporting schedule should be attached whenever monthly averaging is used.

Line 2 Total Tangible Property

Enter totals of lines 1a-e in the respective columns.

Line 2a Property Fraction

Determine property fraction: column A, line 2 divided by column B, line 2.

Line 3 Wages, Salaries, Commissions, and Other Includable Compensation

Wages, salaries, commissions, and other includable compensation paid to employees for personal services must be included in the Utah factor to the extent that the services, for which the compensation was paid, were rendered in Utah.

Compensation is paid in the state if (1) the individual's service is performed entirely within the state; (2) the individual's service is performed both within and outside the state, but the service performed outside the state is incidental to the individual's service within the state; or (3) some of the service is performed in the state and (a) the base of operations or, if there is no base of operation, the place from where the service is directed or controlled within the state, or (b) the base of operations or the place where the service is directed or controlled is not in any state where some part of the service is performed, but the individual's residence is in this state.

Amount reportable for employment security purposes may ordinarily be used to determine the wage factor.

Line 3a Wages Fraction

Column A, line 3 divided by column B, line 3. Overall wages, including Utah, are listed in column B.

Lines 4a-e Gross Receipts from Business

The sales factor is the percentage the sales or charges for services within the state for the taxable year bear to the overall sales for the taxable year. Gross receipts from the performance of services are in this state to the extent the services are performed in this state.

Sales of tangible personal property are in this state if the property is delivered or shipped to a purchaser within this state regardless of the F.O.B. point or other conditions of the sale, or if the property is shipped from an office, store, warehouse, factory, or other place of storage in this state and: (1) the purchaser is the United States government, or (2) the corporation is not taxable in the state of the purchaser.

Nexus: The jurisdictional link that must be present before a state may tax a corporation upon its activities within a state's borders.

Note: Exception to the above method for securities brokerage businesses can be found in Utah Code Ann. Section 59-7-319(3).

Line 5 Total Sales and Service

Enter totals of lines 4a-e in their respective columns.

Line 5a Sales Fraction

Determine sales fraction: column A, line 5 divided by column B, line 5. Overall sales, including Utah, are listed in column B.

Line 6 Total Fraction

Enter total of lines 2a, 3a, and 5a.

Line 7 Apportionment Fraction

Determine apportionment fraction: Line 6 divided by the number of factors used (typically 3 - property, wages, and sales). If one or more of the factors are not present (i.e., there is a zero represented on lines 2, 3, or 5 in column B), divide by the number of factors present. Enter apportionment fraction here and on Schedule A, line 7.

Note: All trucking companies should refer to Administrative Rule R865-6F-19.

INSTRUCTIONS FOR SCHEDULE H NONBUSINESS INCOME SCHEDULE

Determine nonbusiness income allocated to Utah and outside of Utah by completing Schedule H. All income that arises from the conduct of trade or business operations of a corporation is business income. Nonbusiness income means all income other than business income. Intangible income must be properly classified and based upon factual evidence. The burden of proof is on the corporation to justify the manner in which income is claimed on the return. Instructions apply to both Utah and non-Utah sections. Use additional pages if necessary to provide complete information.

Column A Gross Amount

Indicate the gross income from each class of income being specifically allocated.

Column B Related Expenses

Indicate the amount of both direct and indirect expenses, for each class.

Other Columns

Complete the remaining columns with the information for each income class listed in column A.

Totals

Complete the total line for columns A and B.

Line 1

Carry over total of column B for Utah nonbusiness income.

Line 2

Enter net of columns A and B for Utah nonbusiness income. Transfer amount to Schedule A, line 4a.

Line 3

Carry over total of column B for non-Utah nonbusiness income.

Line 4

Enter net of columns A and B for non-Utah nonbusiness income. Transfer amount to Schedule A, line 4b.

INSTRUCTIONS FOR SCHEDULE N

Every small business corporation is subject to payment of the corporation franchise tax on Utah's apportioned share of any income subject to federal corporation income tax. Utah's apportioned share of taxable income is taxed at the same rate (5%) applied to C corporations.

In addition, tax must be paid at the S corporation level on the percentage of taxable income attributable to the nonresident shareholders of the S corporation. The nonresident's share of taxable income is based on the ratio of stock held by nonresidents to total outstanding stock on the last day of the corporate filing period. The tax rate imposed on the nonresident shareholders is the same as the rate imposed on nonresident partners that file a Utah nonresident composite partnership return.

The nonresident S corporation shareholders may generally consider the tax imposed as either a payment or a withholding. Nonresident shareholders having no other Utah source income may

choose whether or not to file a Utah nonresident individual income tax return. However, nonresident shareholders with income or loss from other Utah sources must file a nonresident individual income tax return. If a nonresident individual income tax return is filed, a credit may be claimed for the nonresident shareholder's share of the S corporation tax as shown on form TC-20S, Schedule N.

S corporations having nonresident shareholders must complete Part I of Schedule N showing the amount of Utah tax paid on behalf of each nonresident shareholder.

S corporations that have earned nonrefundable credits are required to complete Part II of Schedule N showing each shareholder's portion of each nonrefundable credit, the total for each credit and the total amount of nonrefundable credits that each shareholder (whether resident or nonresident) has earned.

A summary of current nonrefundable tax credits is provided to facilitate an understanding of the requirements for each credit.

Note to Tax Preparers: It is recommended that the amount of Utah tax paid on behalf of each shareholder be included on the federal schedule K-1.

a. Energy Tax Credit (Utah Code Ann. Section 59-10-603)

The energy tax credit is a nonrefundable tax credit allowed for commercial energy systems placed in service after January 1, 1986, but prior to December 31, 1995. Energy tax credits are controlled through the Utah Energy Office. Form TC-40E must be obtained from the Energy Office at 324 South State, #230, Salt Lake City, Utah 84111, telephone (801) 538-8662.

b. Contributions to Qualified Sheltered Workshop

(Utah Code Ann. Section 59-7-602)

A nonrefundable tax credit is allowed for 50% of the cash contributions, not to exceed \$1,000 made to nonprofit rehabilitation sheltered workshop facilities for the handicapped. The facility must be certified by the Department of Human Service as a qualifying facility.

c. High Technology Equipment Contribution Tax

Credit (Utah Code Ann. Section 59-7-603)

A nonrefundable tax credit is allowed for 25% of the fair market value of high technology equipment contributions to public education, not to exceed the basis of the property contributed.

d. Enterprise Zone Tax Credit

(Utah Code Ann. Section 9-2-401 through 414)

A nonrefundable tax credit is allowed for business firms meeting the following qualification:

1. The primary activity of the business must lie within standard industrial classification codes 2011 through 3999, 4221 through 4231, 5093, 7371 through 7375, and codes 7379, telemarketing firms within 7389, 7629, 7692, 7694, and 7699 as set forth in the 1987 Revision of the Standard Industrial Classification Manual.
2. The facility must be located within a qualified enterprise zone; and,
3. At least 51 percent of the facility's employees must also reside within the same enterprise zone.

Credit Application:

The following state tax credits against income tax or corporate franchise tax are applicable to qualifying businesses in an enterprise zone:

1.a. A tax credit of \$750 for each new, full-time position filled in a non-retail capacity for not less than six months during a given tax year, and an additional \$500 tax credit if the new position pays at least 125% of the county average monthly nonagricultural payroll wage for the respective industry as determined by the Utah Department of Employment Security. If this information is not available for the respective industry, the job must pay at least 125 percent of the total average monthly nonagricultural payroll in the respective county; and

b. An investment tax credit of 10% of the first \$100,000 in investment, and 5% of the next \$250,000 qualifying investment of plant, equipment, or other depreciable property.

2.a. Payroll for construction employment is not eligible for the tax credit under 1.a. above.

b. During the existence of an enterprise zone, a business may claim the tax credit under 1.a. above only once for each increase in the number of positions. For example, if a business increased from 30 to 35 full-time positions, it could claim a tax credit on five positions. After once having done so, any additional tax credits the business might claim could be based only on new positions beyond 35, notwithstanding any fluctuation in the number of positions below 35. A business existing in an enterprise zone on the date of its designation shall calculate the number of full-time positions based on the average number of employees reported to the Department of Employment Security.

3. Tax credits not claimed by a business on its state income tax return within three years are forfeited.

e. Utah Steam Coal Tax Credit

(Utah Code Ann. Section 59-7-604)

For taxable years beginning on or after January 1, 1993, there is allowed, as a credit against any taxes imposed by Utah Code Ann. Section 59, Chapters 7 and 8, an amount equal to \$1 per ton for each ton of Utah steam coal sold from a permitted mine by the taxpayer to a purchaser outside of the United States in excess of the number of tons of Utah steam coal sold from a permitted mine by the taxpayer to a purchaser outside of the United States in the taxable year beginning on or after January 1, 1992.

The credit allowed by this section is repealed effective for tax years beginning on or after January 1, 1997.

f. Clean Fuel Vehicle Tax Credit

(Utah Code Ann. Section 59-7-605)

This is a nonrefundable tax credit of 20% up to \$500 for the purchase of new vehicles registered in Utah and for the first time that are fueled by propane, compressed natural gas, or electricity, or a credit of 20% up to \$400 for the cost of conversion of a motor vehicle registered in Utah to be fueled by propane, compressed natural gas, or electricity. For detailed instructions regarding the eligibility of a particular vehicle for this tax credit, please see form TC-40V, Clean Fuel Vehicle Tax Credit, or contact the Division of Air Quality, Department of Environmental Quality at 1950 West North Temple, P.O. Box 144820, Salt Lake City, Utah 84114-4820; (801) 536-4000.

You must attach form TC-40V, showing the Division of Air Quality certification and the amount you are claiming, to your return.

g. Clean Fuel Alternative Tax Credit

(Utah Code Ann. Section 59-7-606)

This is a nonrefundable tax credit of 10% up to \$50 of the total of the purchase cost and installation costs for EPA certified pellet burning stoves, high mass wood stoves, solid fuel burning devices, and natural gas or propane free-standing fireplaces or inserts. For detailed instructions regarding the eligibility of a particular stove or fireplace for this tax credit, please see form TC-40F, Clean Fuel Alternative Tax Credit, or contact the Division of Air Quality, Department of Environmental Quality at 1950 West North Temple, P.O. Box 144820, Salt Lake City, Utah 84114-4820; (801) 536-4000. You must attach form TC-40F, showing the Division of Air Quality certification and the amount you are claiming, to your return.

h. Historic Preservation Tax Credit

(Utah Code Ann. Section 59-7-609)

This is a nonrefundable tax credit of 20% of qualified rehabilitation expenditures, costing more than \$10,000, incurred in connection with any residential certified historic building. Unused credits may be carried forward five years as a credit against Utah tax due. For detailed information regarding the eligibility of a rehabilitation project for this tax credit, please contact the State Historic Preservation Office, located at 300 Rio Grande, Salt Lake City, Utah 84101; (801) 533-3563. You must attach form TC-40H, Historic Preservation Tax Credit, showing the State Historic Preservation Office certification and the amount you are claiming, to your return.

i. Low Income Housing Tax Credit

(Utah Code Ann. Section 59-7-607)

This is a nonrefundable tax credit in an amount determined by the Utah Housing Finance Agency, for any housing sponsor that has received an allocation of the federal low-income housing tax credit and any applicant for an allocation of the federal low-income housing tax credit. Unused credits may be carried back three years or carried forward to each of the five taxable years. For detailed instructions regarding the eligibility of a building for this tax credit, please contact the Utah Housing Finance Agency, located at 177 East 100 South, Salt Lake City, Utah, telephone (801) 521-6950. You must attach forms TC-40TCAC, Utah Low-Income Housing Tax Credit Allocation Certification, and TC-40LI, Summary of Utah Low-Income Housing Tax Credit, to your return.

j. Credit for Employers Who Hire Disabled

(Utah Code Ann. Section 59-7-608)

This is a nonrefundable tax credit for employers based on amounts paid to individuals with disabilities who are hired by the employer.

The credit applies only to amounts paid to individuals with disabilities. Individuals with disabilities are defined as individuals who: (1) have been receiving services from a day-training program for persons with disabilities, which is certified by the Department of Human Services as a qualifying program, for at least six consecutive months prior to working for the employer claiming the tax credit; or (2) are eligible for services from the Division of Services for People with Disabilities at the time the individuals begin working for the employer claiming the tax credit.

An employer qualifies for this credit only if the individual with a disability : (1) works in this state for at least 180 days in a taxable year for that employer; and (2) is paid at least minimum wages by that employer.

The credit authorized by law shall be in an amount equal to 10 percent of the gross wages earned in the first six months of employment by the individual with a disability, and 20 percent of the gross wages earned in the remaining taxable year by the individual with a disability.

The credit taken by an employer is limited to \$3,000 per year per individual with a disability.

The credit is allowed only for the first two years the individual with a disability is employed by the employer.

Credit amounts greater than the Utah tax liability in the tax year in which the credit is earned may be carried forward to each of the following two tax years. Carryforward credits shall be applied against the tax liability of any year before the application of any credits earned in the tax year.

Employers must attach form TC-40HD, Tax Credit for Employers Who Hire Persons with Disabilities, showing the Division of Services for People with Disabilities certification, and the amount they are claiming, to the return.

**UTAH SMALL BUSINESS FRANCHISE OR
INCOME TAX RETURN**

• For the year ending Dec. 31, 1995, or other taxable year beginning _____, 19____ and ending _____, 19____.

1995
TC - 20S
Rev. 10/95☐ **Check box if this is
an amended return**☐ **Reason for amending
(See instructions page 2)****Corporation Name and Address**

•		<input type="checkbox"/> Check box if name or address has changed since last year's filing.
•		
•		
Telephone Number • () -	Federal Identification Number •	Utah Charter Number •

NOTE: ATTACH A COMPLETE FEDERAL RETURN INCLUDING SCHEDULE K, AND K-1 FOR ALL SHAREHOLDERS. IF ALL SHAREHOLDERS ARE UTAH RESIDENTS AND THERE ARE NO CORPORATE BUILT-IN GAINS OR OTHER GAINS TO REPORT UNDER UTAH CODE ANN. SECTION 59-7-701, SCHEDULES A THROUGH N ARE NOT REQUIRED.

	Resident		Nonresident		Total
1. (a) Number of shares	•	+	•	=	
(b) Percentage	•	%	+	•	% = 100%

2. What is the last year for which a federal examination has been completed? _____
3. What years are federal examinations now in progress, or final determination of past examinations still pending? _____

(Under separate cover, send a summary and supporting schedules for the federal adjustments and the federal tax liability for each year for which federal audit adjustments have not been reported to the Tax Commission and indicate date of final determination. Forward information to Utah State Tax Commission, Auditing Division, 210 North 1950 West, Salt Lake City, Utah 84134-0300.)

4. What years have extensions for proposing additional assessments of federal tax been agreed to with the Internal Revenue Service? _____

NOTE: An automatic extension of the statute of limitations relating to assessments of tax is provided by Utah Code Ann. Section 59-7-519 for failure to report fully the information required.

5. Total tax due (Schedule A, line 23)

6. Refund (Schedule A, line 22)

7. Total the amounts listed below and enter on this line

Extension penalty \$ _____ Late filing penalty \$ _____
Late payment penalty \$ _____ Interest \$ _____

8. Total remitted (add lines 5 and 7) •

Make check payable to: UTAH STATE TAX COMMISSION

9. Total refund (line 6 less line 7)

5.		00
6.		00
7.		00

8.	\$	00
9.	\$	00

Check the appropriate box for each schedule that is attached to this filing ☐ Schedule A and E ☐ Schedule H ☐ Schedule J ☐ Schedule N

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Official Use Only**Date Received**

Signature of officer

Date

Title

Preparer's signature

Date

Check if self-
employed ☐

Preparer's social security number

Firm's name (or yours if self-employed)

E.I. No.

Address

City

State

ZIP Code

SCHEDULE A and E

TC-20S A and E
Rev. 10/95

Corporation Name	Taxable Year Ending	Federal Identification Number
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SCHEDULE A COMPUTATION OF UTAH NET TAXABLE INCOME AND TOTAL TAX DUE

1. Ordinary income/loss from trade or business activities	•	1.	00
2. Adjustments to ordinary income (see instructions page 2)	•	2.	00
3. Net Income:			
(a) Total income before nonbusiness income (line 1 plus line 2)	•	3a.	00
(b) Nonresident income (line 3a multiplied by nonresident percentage on form TC-20S, line 1b)	•	3b.	00
4. Nonbusiness income: (from Schedule H, line 2 and line 4)			
(a) Allocated to Utah (\$) times nonresident % on TC-20S, line 1b	•	4a.	00
(b) Allocated outside Utah (\$) times nonresident % on TC-20S, line 1b	•	4b.	00
5. Nonbusiness income total (add lines 4a and 4b)	•	5.	00
6. Net income subject to apportionment (line 3b less line 5)	•	6.	00
7. Apportionment fraction (100% or Schedule J, line 7)		7.	%
8. Net income apportioned to Utah (line 6 multiplied by line 7)	•	8.	00
9. Nonbusiness income allocated to Utah (line 4a)	•	9.	00
10. UTAH TAXABLE INCOME/LOSS (add lines 8 plus 9)	•	10.	00
11. Loss carryforward for S corporations previously filing under option A (caution: see instructions page 3 attach schedule)	•	11.	00
12. Utah taxable income before deduction amount (line 10 less line 11)	•	12.	00
13. Deduction amount (multiply line 12 by .15)	•	13.	00
14. NET TAXABLE INCOME (line 12 less line 13)	•	14.	00
15. Tax rate		15.	.072
16. Calculation of tax (see instructions page 3)			
a. Line 14 multiplied by line 15	•	16a.	00
b. Built-in and other gains (see instructions page 3)	•	16b.	00
c. AMENDED RETURNS ONLY (previous refunds)	•	16c.	00
17. Tax amount (lines 16a through 16c)		17.	00
18. Refundable credits			
a. Mineral production withholding (attach TC-675R)	•	18a.	00
b. Off-highway agricultural gas tax credit	•	18b.	00
c. Total prepayments (Schedule E, line 5)	•	18c.	00
d. AMENDED RETURNS ONLY (previous payments)	•	18d.	00
19. Total refundable credits (add lines 18a through 18d)		19.	00
20. Overpayment - if line 19 is larger than line 17, subtract line 17 from line 19	•	20.	00
21. Amount of overpayment to be applied as advance payment for next taxable year	•	21.	00
22. Refund (line 20 less line 21)(enter amount on form TC-20S, line 6)	•	22.	00
23. Total tax - if line 17 is larger than line 19, subtract line 19 from line 17 (enter amount on form TC-20S, line 5)	•	23.	00

Nonrefundable credits - *Nonrefundable tax credits may only be claimed by filing an individual income tax return (form TC-40 for residents or form TC-40NR for nonresidents).*

SCHEDULE E PREPAYMENTS OF ANY TYPE

1. Overpayment applied from prior year	•	1.	
2. Extension prepayment Date Check number		2.	
3. Other prepayments (attach sheet if necessary)			
a. Date Check number	3a.		
b. Date Check number	3b.		
c. Date Check number	3c.		
d. Date Check number	3d.		
4. Total of other prepayments (add lines 3a through 3d)		4.	
5. Total prepayments (add lines 1, 2, and 4, enter on this line and on Schedule A, line 18c)		5.	

SCHEDULE H - NONBUSINESS INCOME

Special Note:

Failure to include the information below may result in automatic disallowance of the nonbusiness income claimed.

Corporation Name	Taxable Year Ending	Federal Identification Number
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Description of Nonbusiness Income	UTAH NONBUSINESS INCOME (Allocated to Utah)				Beginning Value of Investment Used to Produce the Nonbusiness Income	Ending Value of Investment Used to Produce the Nonbusiness Income
	Payor of Nonbusiness Income	Gross Amount (A)	Related Expenses (B)	Description of Related Expenses		
TOTAL		(A)	(B)			
1. Enter total of column (B)			←			
2. Net (A) plus/minus (B)			← Enter here and on Schedule A, line 4a			

Description of Nonbusiness Income	NON-UTAH NONBUSINESS INCOME (Allocated outside Utah)				Beginning Value of Investment Used to Produce the Nonbusiness Income	Ending Value of Investment Used to Produce the Nonbusiness Income
	Payor of Nonbusiness Income	Gross Amount (A)	Related Expenses (B)	Description of Related Expenses		
TOTAL		(A)	(B)			
3. Enter total of column (B)			←			
4. Net (A) plus/minus (B)			← Enter here and on Schedule A, line 4b			

Part II Nonrefundable Tax Credits

Subchapter S corporations must break out nonrefundable tax credits for each shareholder for which nonrefundable tax credits will be claimed on an individual income tax return.

Indicate the type of credit (a-j) and the amount in the columns provided below for each shareholder

- | | |
|--|--|
| (a) = Energy tax credit (must attach form TC-40E) | (g) = Clean fuel alternative tax credit (must attach form TC-40F) |
| (b) = Contributions to qualified sheltered workshop | (h) = Historic preservation tax credit (must attach form TC-40H) |
| (c) = High technology equipment contribution tax credit | (i) = Low income housing tax credit
(must attach forms TC-40TCAC and TC-40LI) |
| (d) = Enterprise zone tax credit | (j) = Credit for employers who hire disabled
(must attach form TC-40HD) |
| (e) = Utah steam coal tax credit | |
| (f) = Clean fuel vehicle tax credit
(must attach form TC-40V) | |

Shareholder	Credit type		Credit type		Credit type		Credit type		Credit type		Total for each Shareholder	
		00		00		00		00		00	\$	00
		00		00		00		00		00	\$	00
		00		00		00		00		00	\$	00
		00		00		00		00		00	\$	00
		00		00		00		00		00	\$	00
		00		00		00		00		00	\$	00
		00		00		00		00		00	\$	00
		00		00		00		00		00	\$	00
		00		00		00		00		00	\$	00
		00		00		00		00		00	\$	00
		00		00		00		00		00	\$	00
		00		00		00		00		00	\$	00
		00		00		00		00		00	\$	00
Total amount for each credit type	\$	00	\$	00	\$	00	\$	00	\$	00		

BULKRATE
U.S. POSTAGE PAID
STATE OF UTAH

Utah State Tax Commission
210 North 1950 West
Salt Lake City, UT 84134

Please attach the address label below to your return. If a paid preparer completes your return, please give the booklet to the preparer so the label is used.

PLEASE CORRECT ANY
ERRORS ON THE LABEL.

If addressee has moved, you may use
the return, but please destroy the label.

CURRENT RESIDENT OR